इसलिए मैं गृह मंत्रालय से आग्रह करूंगा कि वह इस बात पर ध्यान दे कि हमारे देश में गोला-बारूद का आना रुके।

Health Hazard due to Air and Water pollution

THE DEPUTY CHAIRMAN: Mr. Margabandu, you take just two minutes.

SHRI R. MARGABANDU (Tamil Nadu): Yes, Madam. That is all right.

I want to bring an important issue to the notice of this Government. So far as tanneries and aquaculture are concerned, they are banned in foreign countries. But we are doing them now. Many materials which are banned in the foreign countries are being imported into India and they are being used; for example, there is an industry called Thirumalai Chemicals Industries operating a factory at Ranipet in North Arcot district. It is importing banned raw materials from Germany and they are used for the preparation of food processing products. It is creating a hazardous situation. When the cattles drink the effluent water they die. Even trees are dying. They are importing hazardous material and using it. In the North Arcot district tanneries have made 80,000 acres of land uncultivable. As a matter of fact, these tanneries are discharging effluent water which is going into the Palar river. This river has been classified as one of the most critically polluted river. The North Arcot district has been described as a dark district in the whole of India. The Government must do something to contain it. Every year international leather fare is conducted in Madras. It should be stopped. I would like to mention that many industries have not installed effluent treatment plants despite the direction of the Madras High Court and also of the Supreme Court. Effluent treatment plants have not been installed and untreated water is being discharged which is destroying the land. In villages like Vaniyambadi, Melvisharam, Ranipet, Vellore and Ambur the land has been destroyed fully. There is no drinking water in these villages. Villagers have to go ten miles away to fetch drinking water. There is one Malladi industry which manufactures fertilizers which is very hazardous. Only yesterday the Aquaculture Authority Bill was passed in this House. I would request the Government to come forward with a Bill to regulate tanneries and hazardous industries. This kind of a Bill should be introduced at the earliest to save the people from pollution and other things. Thank you.

THE DEPUTY CHAIRMAN: Hon. Members—there are very few Members in the House—we will now take up the Appropriation (Vote on Account) Bill, 1997. Then there are two more Bills.

THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1997

THE APPROPRIATION (NO. 2) BILL, 1997

THE APPROPRIATION BILL, 1997

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Madam, I beg to move

That the Bill to provide for the withdrawal of certain sums from and out of the consolidated Fund of India for the Services of a part of the financial year 1997-98, as passed by Lok Sabha, be taken into consideration.

Madam, I beg to move:

That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1996-97, as passed by Lok Sabha, be taken into consideration—

Madam, I beg to move:

That the Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial

year ended on the 31st day of March, 1995, in excess of the amounts granted for those services and for that year, as passed by Lok Sabha be taken into consideration.

The questions were proposed.

SHRI V. NARAYANASAMY (Pondicherry): Madam, the other day the Finance Minister clarified the position very briefly. But I was not satisfied. I would like to seek three or four clarifications from the Minister. The rural industries have to be developed in this country. The Khadi and Village Industries is a vital sector which is giving employment to the rural people. It has been doing good service for the rural-oriented industries. The Government made a commitment that they would give subsidy to the tune of Rs. 1000 crores to this industry. The Khadi and Village Industries which has been employing crores of people, has been neglected. I would like to know from the hon. Minister whether he would increase allocation for the Khadi and Village Industries because it has already been committed by the Government.

Than I raised an issue regarding petroleum sector. But the hon. Minister was very evasive in his reply. It is a matter of concern not only for the parliamentrains but also for the people of this country. This Government has some problems. I agree. But whatever they want to say they should say that in clear terms. What is happening is this. One day the Finance Minister said, "We will not increase the prices of petroleum products." The other day the Prime Minister made a statement that the Government has no other option except to go in for increasing the prices of petroleum products because there is deficit in the Oil Pool Account. Now the Budget was presented and it has been passed by both the Houses. I would like to know the stand taken by the Government of this issue. There should not be any speculation. We should know how they propose to mop up reasources for filling up this gap in the Oil Pool account. Is the Government thinking of increasing the price of petroleum products? The hon. Minister said, "We will do it at the appropriate time." I do now know what this appropriate time is. Third, it is about the 5th Pay Commission's recommendations. it is a matter which is of concern to us. The Government employees have been agitating. The hon. Finance Minister allocated roughly Rs. 4,800 crores for this purpose. It is said that the total amount that would be required to implement the recommendations of the 5th Pay Commission is about Rs. 10,000 crores. From where will the Finance Minister get the money to implement it? Now the Indira Awas Yojana is not under the direct purview of the hon. Finance Minister. A matching grant is being given by the Central Government to the State Government. The State Government is the implementing agency. A partisan attitude is being adopted by the State Government in selecting beneficiaries. This money goes directly to the people. The Members of Parliament raised a hue and cry in the House regarding this. It has been politicised. Political parties are using it as a weapon. They have taken MLAs into confidence and not Members of Parliament. A huge sum of money has been given by the Central Government. But Members of Parliament are being ignored. I would like to know from the hon. Finance Minister whether Members of Parliament will be taken into confidence while selecting the beneficiaries. I come to the last point. I will not take much time of the House. The hon. Finance Minister has given a lot of concessions in Customs Duty. This will kill the local industry, the small sector industries. This concession will lead to dumping. Foreign companies and the Indian companies should not be put on a par. I would like to know what the Finance Minister is going to do to protect local industries. These industries are vital to our country because they generate employment and wealth. These industries need to be safeguarded. These are the

five points that I have raised and I would like the hon. Finance Minister to respond to them.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Madam, the first point that was raised was abot the Khadi and Village Industries. I think the hon. Member is not reading the demand quite correctly. Khadi and Village industries comes under several heads. Khadi Industries –5.01, there the Budget Estimate on the Plan side was Rs. 60.30 crores. In the Revised Estimates, we have provided Rs. 110.30 crores. An addition Rs. 50 crores has been given to the Khadi and Village Industries Commission for rebate. So whatever they asked for as additionalities has been provided for in the Revised Estimates. Then there are several other heads under which money is given to the Khadi and Village Industries Commission. One of the heads, No. 10 is Rural Employment Generation Programme Implementation of recommendation of high powered Committee. There, a provision of Rs. 130 crores was made basing on the interim Budget and the Budget I presented in July. But the recommendations of the high-powered Committee was processed and I believe they were cleared by the Cabinet only on the 11th of March this year. But between 11th of March and 31st of March there was no way they could spend Rs. 130 crores under that head. This programme will now be spent next year. Therefore, the Revised Estimate is showing Rs. 13.85 crores because that is all that they will spend between now and the end of the year. They cannot spend money in 20 days. They won't be able to spend Rs. 130 crores. A provision of Rs. 140 crores has been made. This has been brought to my notice, Cabinet has approved it, the scheme has been approved. So if there is an excess expenditure we will come of course, with the supplementary and excess demands next year, we will cover that expenditure.

But this is what we believe they can spend. But if they can spend more between now and 31st of March, they are free to spend, I have told Mr. Surendra Mohan; you may spend and we will come with excess demands next year. But the next year I have provided Rs. 140 crores. So Khadi and Village Industries Commission has been given more money this year, not less money. As regards reference to petrol and petroleum prices, I do not wish to get into any kind of debate. But the fact remains that petroleum prices remain uncorrected for two and half years. This Government corrected petroleum prices in July. Since then, events have overtaken us. World prices have hardened to something like 24 dollars at one point of time. I have not made any statement that petroleum prices will be increased or petrol prices will not be increased. On the contrary, the only statement that I have been consistently making is, petroleum price increase cannot be done unless there is a consensus in the matter. There has to be a political consensus first among the major parties. Therefore, I have only made that statement and I have always added by saying, as Minister of Petroleum, the Prime Minister will take suitable action at the appropriate time. The question that is being asked is, why I have not addressed it in the Budget. The answer is, no Finance Minister has over addressed the petroleum question in the Budget. In the last five years petroleum prices were never addressed in the Budget. They were either addressed before the Budget or after the Budget, well before or after, or shortly before or shortly after. We have never addressed it in the Budget. Why should I be the only Finance Minister to be an exception and address the petroleum prices in the Budget. I am not rising to the bait and I am not falling into the trap. They will be addressed at an appropriate time after everybody is consulted. The third question which I think the hon. Member asked is about the allocation for rural development, the Indira Awaas Yojana. About Indira Awaas Yojana, I think this should be really

discussed with the Rural Development Minister when the demands come up. But I will talk from what I know.

THE DEPUTY CHAIRMAN: Any Member who is using cellular phone can go out of the House and put their telephone in my office and I will confiscate it. It is prohibited to use any cellular phone or pager in this House. I will confiscate it if I find anyone using it and I will keep it in the custody of the House because this is becoming very annoying. In the Central Hall of Parliament when the President was present and the speech was going on somebody's telephone rang. This facility should not be misused in the House, please.

SHRI P. CHIDAMBARAM: Regarding, Indira Awaas Yojana, please allow the Minister to answer. Kindly allow him to answer. Madam, with your kind permission the Minister is here to speak on Indira Awaas Yojana.

THE MINISTER OF RURAL AREAS AND EMPLOYMENT (SHRI K. YERRAN NAIDU): In the present year 1996-97, we constructed eleven lakh houses at a cost of Rs. 15,000 per unit. This year we enhanced the unit cost from Rs. 15,000 to Rs. 20,000 in plain areas. In hilly areas, we raised the cost from Rs. 16,500 to Rs. 22,000. But the same amount has been allocated for this year also, i.e. 1997-98 basing on the enhancement of ceiling and reduced construction of houses from 11 lakhs to 7 lakhs.

SHRI P. CHIDAMBARAM: Therefore, Madam, as a result of the cost going up by almost 40% or so, the number of houses which are constructed under the Indira Awas Yojana has come down. Yes, the point is well taken. More money must be allocated for Indira Awas Yojana. We have allocated a large amount of money for the seven Basic Minimum Services. From Rs. 2,466 crores, it was increased to Rs. 3,300 crores. One of the seven Basic Minimum Services is shelter and slum improvement. So, some houses will get constructed under the BMS also. When we take the houses constructed under the BMS and the IAY, I am confident that we will meet the target that we should have for housing. I would respectfully submit that any particular question relating to any particular Ministry can be raised when the Demands are discussed.

SHRI V. NARAYANASAMY (Pondicherry): About the Fifth Pay Commission.

SHRI P. CHIDAMBARAM: I will answer it. The provision that has been made is Rs. 11,250 crores, not Rs. 10,000 crores. An amount of Rs. 11,250 crores is provided. Where did I get this figure? I got this figure from the Pay Commission's report itself. The Pay Commission report itself has assessed the amount. In 1997-98, including the arrears, it will be Rs. 11,250 crores. I have not made any independent calculations. I have taken their calculations and I have provided this money under three Ministries—one under the Ministry of Defence, one under the Ministry of Revenue and one under the Ministry of Finance. So, it covers Rs. 11,250 crores. If it turns out to be a little less or a little more, we will come back to the House and ask for a provision and show the same. I have taken the figure from the Pay Commission's report.

THE DEPUTY CHAIRMAN: Mr. Minister, concern was expressed by hon. Members of this House about handloom weavers. Earlier, Mr. Pragada Kotaiah, who is no more with us—he died—used to raise this issue. On behalf of all those Members who raised this matter and on my own personal behalf, I request you to please take care of the handloom weavers because they are facing a lot of financial difficulties. These handloom weavers are in Uttar Pradesh, Andhra Pradesh, Karnataka, Tamil Nadu...

MISS SAROJ KHAPARDE (Maharashtra): in Maharashtra.

THE DEPUTY CHAIRMAN: in Maharashtra also. They are keeping our traditional craft alive. So, let them survive. Please take special care of them.

SHRI P. CHIDAMBARAM: I will look into the matter, Madam.

THE DEPUTY CHAIRMAN: Now that he has given his reply, I will take up the Bills for consideration and passing.

The question is:

> That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1997-98, as passed by Lok Sabha, be taken into consideration.

The motion was adopted.

THE DEPUTY CHAIRMAN: We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 to 4 and the Schedule were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI P. CHIDAMBARAM: Madam, I move:

That the Bill be returned.

The question was put and the motion was adopted.

THE DEPUTY CHAIRMAN: We shall now take the Appropriation (No. 2) Bill, 1997 into consideration. The question is:

> That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1996-97, as passed by Lok Sabha, be taken into consideration.

The motion was adopted.

THE DEPUTY CHAIRMAN: We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 and 3 and the Schedule were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI P. CHIDAMBARAM: Madam, I move:

That the Bill be returned.

The question was put and the motion was adopted.

THE DEPUTY CHAIRMAN: Now we shall take into consideration the Appropriation Bill, 1997. The question is:

> That the Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1995, in excess of the amounts granted for those services and for that year, as passed by Lok Sabha, be taken into consideration.

The motion was adopted.

THE DEPUTY CHAIRMAN: We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 and 3 and the Schedule were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI P. CHIDAMBARAM: Madam, I move:

That the Bill be returned.

The question was put and the motion was adopted.

THE DEPUTY CHAIRMAN: Now we have the Statutory Resolution. May I have the permission of the House? This is the only legislative item pending with us. We are left with a few minutes before we have to commence the Private Members' Business. If the House so agrees, the Private Members' Business can be delayed by half and hour. I am sure the Minister will be able to satisfy the Members in half an hour.

SHRI P. CHIDAMBARAM: Madam, my opening statement will take a few minutes. It is up to the Members. If everybody agrees, we can pass it immediately.

THE DEPUTY CHAIRMAN: We had a meeting with the leaders of various political parties on this Bill and whatever doubts that were there in the minds of the Members were cleared by the Minister. Now, he would like to express himself on the floor of the House. If the House agrees, we may delay the Private Members' Business a little while, not very long.

SHRI PRANAB MUKHERJEE (West Bengal): But that time should be made up.

THE DEPUTY CHAIRMAN: Yes, the time lost here can be made up later on. Now, Shri Jethmalani. He is not here. Ms. Saroj Khaparde. Ms. Khaparde, your name is there among the movers of the Resolution.

MISS SAROJ KHAPARDE (Maharashtra): Madam, as per your direction...*(interruptions)*...

THE DEPUTY CHAIRMAN: I am just asking. I am not giving any direction.

MISS SAROJ KHAPARDE: I am not moving it.

THE DEPUTY CHAIRMAN: I am not directing you.

MISS SAROJ KHAPARDE: Madam, I was talking to Mrs. Renuka Chowdhury. So, my mind was there. I am sorry.

SHRIMATI RENUKA CHOWDHURY (Andhra Pradesh): Everybody is...*(interruptions)*...

MISS SAROJ KHAPARDE: You were saying something to the Minister. So, I was trying to listen to what you were saying to him.

THE DEPUTY CHAIRMAN: Mrs. Renuka is so attractive that everybody's mind withers all the time.

SHRIMATI RENUKA CHOWDHURY: I think I have flattened.

THE DEPUTY CHAIRMAN: In this attraction, there is no gender bias. Equal proportion.

Now, Mr. Ram Jethmalani, not present. Shri Satish Agarwal, not present. Mr. Goel, don't you want to move the Resolution?

SHRI VEDPRAKASH P. GOYAL (Maharashtra): Madam, I am not moving it.

THE DEPUTY CHAIRMAN: So, the Statutory Resolution is not being moved. The hon. Minister can move his Bill.

THE RESERVE BANK OF INDIA (AMENDMENT) BILL, 1997

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Madam, I beg to move:

> That the Bill further to amend the Reserve Bank of India Act, 1934, as passed by Lok Sabha, be taken into consideration.

Madam, efficient financial intermediation is a *sine qua non* for a healthy and vibrant economy. Given the twin needs of providing adequate protection to the depositors and for maintaining the stability of the financial system, financial intermediaries all over the world are subject to various degrees of prudential regulation. In India, the regulatory framework for banks has evolved over a considerable period of time. However, attempts to regulate the working of the non-banking financial companies started only in 1960 with the introduction of Chapter III-B in the Reserve Bank of India Act. Since then, the operations of the non-banking financial companies have increased manifold. The need for a more comprehensive regulatory framework for the working of the non-banking financial institutions was, therefore, acutely felt. The Joint Parliamentary Committee, which enquired into the irregularies in the securities and banking transactions, had recommended that the Government should examine whether the legislative framework for regulating the non-banking financial companies was sufficiently wide.